CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION BUREAU
CORPORATION FILE

S. H. KRESS & COMPANY

ACCOUNTS
YEAR 1937

The total taxes (local, state and Federal) for the year 1937 amounted to $4,557,919, or an average of $19,478 per store in operation at close of year, as compared with a total of $4,093,770, or an average of $17,420 per store in 1936, an increase of 11.8% per store in one year.

The taxes paid by this mercantile establishment equal 78% of the net profit for the year.

EXECUTIVE AND BUYING OFFICES
114 FIFTH AVENUE
NEW YORK, N. Y.

WRB
CORP. FILE

S. H. KRESS

A

SUBSIDIARY

Consolidated Balance S

ASSETS

CURRENT ASSETS:		
Cash in banks, in transit and on hand	$ 8,815,317.83	
U. S. Government securities, at cost (quoted market value $3,365,171.88)	3,400,414.06	
Sundry debtors	166,730.99	
Inventories of merchandise, including merchandise in transit, at cost or market, whichever is lower (certified by officials as to quantities and condition)	14,106,465.10	
		$26,488,927.98
U. S. GOVERNMENT SECURITIES deposited in escrow under lease agreement (quoted market value $25,460.94)		25,070.31
LONG TERM LOANS AND ADVANCES TO LANDLORDS		383,870.55
DEFERRED CHARGES TO FUTURE OPERATIONS:		
Prepaid insurance premiums	$ 321,443.14	
Deferred rental expenses, prepaid rent, taxes, etc.	184,973.19	
		506,416.33
CAPITAL ASSETS:		
Fixtures and equipment, at cost	$13,620,269.87	
Less—Reserve for depreciation	7,323,698.87	$ 6,296,571.00
Leasehold and other improvements, at cost	$15,017,020.20	
Less—Reserve for amortization	4,165,237.00	10,851,783.20
Land and buildings owned in fee, at cost in cash and capital stock	$35,043,238.46	
Less—Reserve for depreciation	3,722,475.15	31,320,763.31
Goodwill, leaseholds, etc.		1.00
		48,469,118.51
		$75,873,403.68

To the Stockholders of
S. H. Kress & Company:

We have made an examination of the consolidated balance sheet of S. H. consolidated profit and loss and surplus account for the year 1937. In connection supporting evidence and obtained information and explanations from officers an methods and of the operating and income accounts for the year, but we did not

The companies have no commitments for raw materials. Unfilled purchase merchandise on hand or in transit to stores are stated as heretofore at cost or m

In our opinion, based upon such examination, the accompanying consolid fairly present, in accordance with accepted principles of accounting consistently S. H. Kress & Company and subsidiary companies at December 31, 1937, and the

56 Pine Street,
New York,
January 26, 1938.

& COMPANY

ND

COMPANIES

heet, December 31, 1937

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable—trade creditors	$ 336,631.44	
Accounts payable—merchandise in transit	1,114,277.09	
Accrued expenses and miscellaneous accounts payable	2,549,374.48	
Provision for Federal taxes	1,600,440.03	
		$ 5,600,723.04
CAPITAL STOCK AND EARNED SURPLUS:—		
Capital stock:		
Special preferred stock—6% cumulative:		
Authorized—1,000,000 shares of $10 each	$10,000,000.00	
Issued—911,976-6/40 shares	$ 9,119,761.50	
Common stock without par value:		
Authorized—2,678,787 shares		
Issued or reserved for exchange of old stock—2,357,574 shares	48,511,252.92	
(Common stock reserved for sale to employees—68,434 shares)	$57,631,014.42	
Earned surplus, per statement attached	14,669,083.83	
	$72,300,098.25	
Less—Cost of 191,065 shares of special preferred stock ($1,911,940.73) and 5,748 shares of common stock ($115,476.88) re-acquired and held in treasury	2,027,417.61	
		70,272,680.64
		$75,873,403.68

Kress & Company and subsidiary companies as at December 31, 1937 and of the therewith, we examined or tested accounting records of the companies and other d employees of the companies; we also made a general review of the accounting make a detailed audit of the transactions.

orders for merchandise are not in excess of recent quotations. The inventories of arket, whichever is lower.

ated balance sheet and related consolidated profit and loss and surplus account maintained by the companies during the year under review, the position of result of operations for the year.

PRICE, WATERHOUSE & Co.

S. H. KRESS & COMPANY

AND SUBSIDIARY COMPANIES

Consolidated Profit and Loss and Surplus Account
For the Year ending December 31, 1937

GROSS SALES		$87,871,478.13
Cost of merchandise sold, taxes and other operating expenses (including amounts charged to own stores as rental)	$80,127,965.60	
Provision for depreciation and amortization	2,117,593.07	
		82,245,558.67
Profit from operations, before providing for Federal income taxes		$ 5,625,919.46
ADD:		
Amount charged to own stores as rental (included in operating expenses above)	$ 1,292,381.81	
Rentals received from other tenants	204,275.50	
Interest received	149,642.20	
		1,646,299.51
		$ 7,272,218.97
DEDUCT:		
Provision for normal Federal taxes on income	$ 1,175,000.00	
Provision for surtax on undistributed income subject to such tax	200,000.00	
Interest on loans, etc.	19,465.70	
Loss on sale of U. S. Government securities.	21,306.24	
		1,415,771.94
Net profit for year, carried to surplus		$ 5,856,447.03
EARNED SURPLUS at JANUARY 1, 1937		13,007,859.75
		$18,864,306.78
DEDUCT:		
Cash dividends on common stock ($1.60 per share)	$ 3,762,921.60	
Cash dividends on special preferred 6% cumulative stock (60c per share)	432,301.35	
		4,195,222.95
EARNED SURPLUS AT DECEMBER 31, 1937		$14,669,083 83

The company operated a total of 234 stores at the end of the year.